

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY East Germany

REPORT

SUBJECT: Council of Ministers' Decision to Effect a new Division of the Responsibility for the Operation of the Plants of Fernmeldeanlagenbau

DATE DISTR.

28 June 1955

NO. OF PAGES

3

DATE OF INFO

REQUIREMENT NO.

RD

PLACE ACQUI

REFERENCES

DATE ACQUIR

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1. The meeting on 14 April 1955 of directors, BGL⁴ secretaries and BPO⁴ secretaries of the East German Fernmeldeanlagenbau plants where Heinze (fma)³ announced the Council of Ministers' decision that the Anlagenbau plants were to be reorganized and assigned to different components of the government and of the nationalized industry¹. Heinze also stated that ~~it was planned~~ as of 1 July 1955, to subordinate the plants concerned with production of ~~wired~~ (drahtgebundene) equipment to the Ministry of Post and Communications. Those plants producing regulating and measuring equipment (Regel- und Messtechnik) would be assigned to the Main Administration for Precision Mechanics and Optics and would become part of the Quedlinburg Askania Works. Electro-acoustical production would be assigned to the Main Administration for Electrical Machine Construction (Starkstrom). Communications equipment (VEB Funk- und Fernmeldeanlagenbau Berlin) would be assigned to the Main Administration for Radio and Communications Technology. The Ministry for Post and Communications would be responsible for the construction of Bauaemter in which the individual departments for wired (drahtgebundene) equipment would be housed.
2. Heinze stated further that planning (Projektierung) for each technical sector would be done by the responsible echelon to which the plant in question was to be assigned. If, however, the plants to be re-assigned had their own research and development departments, then ~~these departments~~ would become responsible for planning (Projektierung). He stressed the point that all contractual agreements of the Anlagenbau plants would continue to remain in effect and would be taken over by the new responsible ministry.
3. Heinze enumerated the following advantages which were to be a result of this reorganization:
 - a. A rationalization of developmental work.
 - b. Prevention of uncoordinated concurrent assignments.
 - c. A combination of planning with actual practice.
 - d. More concentrated use of specialists.
 - e. Raising of quality.
 - f. Eliminating the particular difficulties in the ship construction.

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g. A more rational use of available space.

h. Eliminating shortage of personnel.

i. Eliminating jurisdictional difficulties with the Ministry of Post and Communications.

4. The plant directors were then advised to inform their employees that no one would have to worry about losing his job since all employees, including administrative and support personnel, would be taken over by the new echelon to which the plant would be assigned. It was further impressed upon the directors that they would be made personally responsible for the fulfilling of all parts of the first half of the Economic Plan by 30 June 1955. They were further to be held responsible for any fluctuations within their plants which would prevent the fulfilling of the plan.
5. Drechsel (fnu), director of VEB Funk- und Fernmeldeanlagenbau Berlin, complained that only six months ago, a representative of the State Control Commission had promised the assembled employees of his plant that the Anlagenbau enterprises would not be dispersed, but that a new Main Administration for Communications (Fernmeldetechnik) would be organized in the Ministry of Machine Construction and that all Anlagenbau plants would become subordinate to it. Drechsel declared that he was at a loss as to how he was to explain the newly announced changes to his employees. Heinze replied that, if Drechsel was not capable of explaining the directive to his employees, it would be necessary to find a man who could. This remark by Heinze was not well received by the other plant directors present.
6. Subsequent inquiries on the part of the directors and the BGL of VEB Funk- und Fernmeldeanlagenbau Berlin indicated that neither the Central Directorate of IG-Metall nor other responsible offices had been informed of the preparations leading to this decree of the Council of Ministers. It was discovered that an unknown representative of the SED Central Committee had been advised in March 1955 by Langowski (fnu), then director of VEB Funk- und Fernmeldeanlagenbau Berlin, of this plan. Langowski had heard of the planned reorganization from a representative of the State Planning Commission. The Central Committee representative had directed that the planned decree of the Council of Ministers be withdrawn and a new one drawn up. This was not done.
7. The BGL Chairman of VEB Funk- und Fernmeldeanlagenbau Berlin interpreted this action as a violation of "inner-Party democracy" and the right of workers to have a voice in their affairs. He thereupon summoned the BGL secretaries of all the other Anlagenbau plants to Berlin for a discussion of the case. BGL representatives from the plants arrived in Berlin on 20 April 1955.
8. On that day a meeting was held in the office of Schmidt (fnu), head of Main Administration RFT. Present were Schmidt, Drechsel, Gudat (fnu), of the SED Central Committee, four BGL representatives from the Anlagenbau plants, and two unidentified representatives of the Central Directorate of IG-Metall.
9. One of the BGL representatives stated that a reorganization such as proposed in the decree of the Council of Ministers would lead to extreme difficulties. Gudat thereupon demanded to see an exact copy of the decree¹. It turned out that the decree actually did exist as Heinze had declared in the previous meeting.

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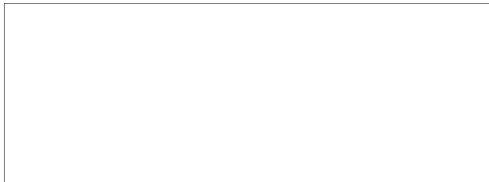
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10. Gudat was informed that the announcement of this decree to the employees of the Anlagenbau plants had caused great unrest and uncertainty, which was bound to affect the enthusiasm of the employees for their work. This being the case, and since the decree had obviously been forced through without previous discussion of all interested parties, Gudat instructed the BGL representatives to tell the employees the following: Heinze had misinformed the plant directors. He had falsely shown them one version of several on which the Council of Ministers was working and had declared it to be the final, official version. Further, Ministers Heinrich Rau and Friedrich Burmeister, as well as experts from the various Anlagenbau plants, were currently working on a plan to determine if the Anlagenbau plants will be split up according to their specialties or if they will remain together and be responsible to one superior echelon.

1. [redacted]
2. Comment: Although the plant directors had asked Heinze to show them a copy of the decree, he had refused to do so. 25X1
3. Comment. Probably Rudolf Heinze, head of the Planning Department of HV RFT. 25X1
4. Comment. BGL: Betriebsgewerkschafts-Leitung (plant union directorate); BPO: Betriebs-Partei-Organisation (plant Party organization). 25X1



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